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## MISCELLANY.

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### THE AUSTRIAN ZONE TARIFF SYSTEM.

Communication to the Academy from the Austrian Ministry of  
Commerce.

VIENNA, SEPT. 24TH, 1890.

*To the AMERICAN ACADEMY OF POLITICAL AND SOCIAL  
SCIENCE, Philadelphia:*

IN reply to your letter of August 13th, addressed to the  
Ministry of Commerce, I take pleasure in sending you a  
copy of our Rates for Passengers and Baggage, issued  
June 16th, and also a short account of the principles of the  
new tariff and its workings.<sup>1</sup>

C. WESSELY,

*General Traffic Manager*

### THE KREUTZER ZONE TARIFF OF THE AUSTRIAN STATE RAILROADS.

The reform of passenger rates has long been the subject  
of careful investigation by the General Management of the  
Austrian State Railroads, and though Hungary has taken  
the lead in the matter, the reason may be found in the  
greater difficulties which in Austria stood in the way of  
such a reform. Hungary has a well-united and consolidated  
system of state railroads, which has already reached its  
maximum extension in a linear direction; that is to say,  
reaching from one boundary of the country to the other.  
On the contrary, Austria is obliged to keep separate  
accounts of the forty roads which it operates, and, be-  
sides this, must take into consideration the probable exten-

<sup>1</sup> We hope to present a fuller account of the Austrian Zone Tariff System at an  
early date. In the meantime, this communication from the General Management of  
the Austrian Railroads will not be without interest to students of railroad affairs  
—EDS.

sion of its system, which, sooner or later, is bound to occur through the absorption of other important railroad lines.

As compared with Hungary—whose passenger rates had hitherto been almost prohibitory, and whose reduction had become an imperative necessity—the question in Austria, whose state roads had lower rates than all other Austrian and most foreign roads, was, on the one hand, so to reduce the rates that, without imperilling the equilibrium of the budget, the economic and social needs of the population should be duly considered; and, on the other hand, that a just and equal treatment of all classes of travelers should be combined with the most radical simplification in the system of rates and tickets.

These requisites express, as it were, the tendency and fundamental principles of the new system of rates, in which the problem seems to have been happily and harmoniously solved.

According to the carefully-considered plan which forms the basis of our regulations, the rate per kilometer was materially lowered, thus effecting a general reduction in the price of passenger transportation. The rates per kilometer on the Austrian State Railroads, before June 16th, 1890, the date of the introduction of the new system, were, for the various classes, as follows :

ORDINARY TRAINS.				EXPRESS TRAINS.		
Class,	III.	II.	I.	III.	II.	I.
Kreutzer,	2	3	4.75	2.5	4	5.75

The basis of the new rates is :

Kreutzer,	1	2	3	1.5	3	4.5
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The rate for the III Class on ordinary trains, one kreutzer—the smallest monetary unit of the country—is, it will be seen, the basis of the whole system, the rate for the II Class being just double, for the I Class triple this sum; while the rates for express trains are 50 per cent. higher than for the ordinary trains. As compared with the old

rates, this amounts to a reduction, expressed in percentages, of :

Class,	ORDINARY TRAINS.			EXPRESS TRAINS.		
	III.	II.	I.	III.	II.	I.
Reduction, per cent.,	50	33	36	40	25	20

These reductions show the effort to favor and to attract, in the first place, the broad masses of the population—the poorer classes, who use the III Class—and thus to fulfill the demands on a system of rates which may be made from the social point of view.

In view of the long distances which come in question in modern travel, the unit of distance, the kilometer, which has heretofore served as a basis of calculation, has long been recognized as too small. In the new system of the State Railroads, therefore, we find this unit replaced by a greater one, increasing with the distance. For local traffic—that is, for distances of less than fifty kilometers—the unit of distance is the myriameter; for distances of fifty to eighty kilometers, 1.5 myriameters; further, to 100 kilometers, 2 myriameters; and for over 100 kilometers, 5 myriameters. These units of distance are called by the now popular expression “zones.” This division corresponds to the conditions of traffic on the Austrian State roads, and the size of the zones increases in proportion as the traffic for long distances decreases.

The prices of tickets, as shown in the table of rates, are based on this foundation: For every unit of distance or zone, even when the same is only partly traversed, the same price is charged, and this is considered by us simply as a generalization of the practice based on the kilometer system of making no allowances for fractions of kilometers. In all distances the relations in the price of 1 : 2 : 3 remain the same. The round numbers in this proportion, together with the use of the smallest monetary unit of the country as the basis of our plan governing the entire system of rates, must be considered a peculiar advantage, as clear as it is simple.

The most pregnant difference between the zone system of Austria and that of Hungary consists in the fact that in the latter the long distance traffic is favored as compared with local traffic. As is well known, the distance of 225 kilometers forms in Hungary the boundary of the next to the last zone, whereas for all distances beyond that there exists nominally only the price of the last zone. In fact, however, the last zone has a boundary—under some circumstances quite near, but differing for every station—from which the prices begin again anew, namely, the station of Buda-Pesth. Tickets are calculated only to and from this station, and thus in the long distance traffic, which is, of course, greatly favored, a very unequal rating actually occurs.

In the Austrian zone tariff, local and long distance traffic receive in so far uniform treatment, that the price of tickets for both is formed on the basis of kilometers, though for local traffic certain natural advantages result, in consequence of the shorter distances comprised in the unit of distance, *i. e.*, zone. This fundamental difference in the tariff system is based in part on considerations of the economics of railroad management arising out of the different density of population in the two halves of the Empire. In Hungary there are forty-eight persons to the square kilometer; in Western Austria, on the other hand, eighty per square kilometer. It was, therefore, necessary for Hungary, in order to fill the carriages of the ordinary trains, for which its own population was not sufficient, to draw travelers from outside, by a large reduction in the long distance rates. In the differences of the two systems, also, is expressed the fundamental distinction of principle in the views held North and South of the Leitha, of the economic importance to be assigned to a discrimination in favor of one class of traffic or the other. The great value of rates which decrease with the distance is not to be disputed, although only a small fraction of the population participate directly in their benefits. It may, therefore,

well be questioned whether the full development and extension of the local traffic, in which broad classes of the population take part, is not in the first instance and in a highly important degree, an actual economic need of our time, and hence, whether it is not an immediate economic problem of our transportation organs to cultivate this traffic with respect to the transportation of passengers.

With the introduction of the new rates, all previous special tickets, which were very numerous, such as return tickets, pilgrim, market and excursion tickets, season tickets, and further, the reduced rates for servants, journeymen mechanics, women with foundlings, etc., are abolished. A perfectly uniform and just treatment of all kinds and classes of travelers is undoubtedly the aim of the administration and is in this way secured.

The system of tickets is simplified in the most radical fashion, not only by the substitution of one style of tickets for the numerous kinds just mentioned, but also by the fact that tickets read for zones and not for stations, and finally, in consequence of the regulation that only larger stations are provided with tickets for all classes and trains, whereas the others receive only tickets for the third class, and all higher rates are made by a combination of these. This simplification of the ticket system is a feature whose importance can scarcely be overestimated, both for the officials of the roads and for the travelling public.

The zone tickets contain, in addition to the number of the zone, the name of the station of departure, and also the name of the last station on all the lines of the system in the particular zone to which the ticket entitles the holder to transportation.

An important feature of the new tariff is the abolition of the free baggage system. All baggage must now be paid for at the uniform rate of 0.2 kreutzer per kilometer for every ten kilograms of weight.

This regulation would, it was believed, form a certain compensation for a probable, or at least a possible, decrease

in the receipts from the passenger traffic, and would thus have prevented an undue burdening of the national treasury, which might have had injurious effects on the great mass of the population who make no use of the railroads.

On the 1st of October, 1890, the kreutzer zone tariff goes into effect on the following lines : Böhmische Nordbahn, Aussig Teplitz Eisenbahn and the Buschtierader Eisenbahn, and it may be expected that other private roads will adopt the system.

The results of the new system are satisfactory, both as concerns the increase in the number of passengers and of receipts. On some lines the increase in the number of passengers carried was as much as 176 per cent. as compared with the same period of the previous year. The increase in the receipts for passengers and baggage is calculated for July in round numbers at 24,000 fl., and for August at 45,000 fl. for the entire system of State roads ; but these figures are only provisional, and the final results will probably be considerably higher.